

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



# 799

# LOANS for RESOURCE CONSERVATION and DEVELOPMENT

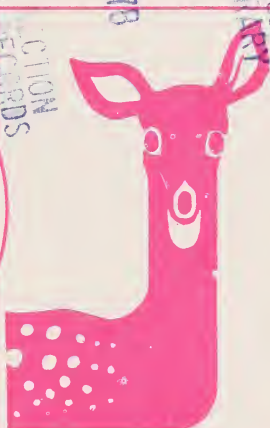
~~Resource~~

Ag 84 Pro

CURRENT SERIAL RECORDS

JAN 11 '78

U.S. DEPT. OF AGRICULTURE  
NAT. AGRI. LIBRARY



PA - 799  
FARMERS HOME ADMINISTRATION  
U.S. DEPARTMENT OF AGRICULTURE

# loans for resource conservation and development

## IN DESIGNATED RCD PROJECT AREAS

The Farmers Home Administration makes Resource Conservation and Development loans to public agencies and nonprofit corporations in areas that have been designated by the Secretary of Agriculture as Resource Conservation and Development Project Areas.

These loans may be advanced only after an RCD project plan, developed by sponsors with guidance by the Soil Conservation Service, has been accepted by the Secretary of Agriculture, and he has authorized SCS and other USDA agencies to help local organizations carry out measures consistent with the plan.

Loans by the Farmers Home Administration, authorized by the Food and Agriculture Act of 1962, as amended, help local people meet their share of project costs.

RCD programs to improve the economy of communities in a project area are based on the conservation, development, and use of natural resources.

## WHO MAY BORROW

Loans may be made to public bodies which are agencies of States, counties, municipalities, and other State subdivisions and instrumentalities, including public agencies created under State law for making public improvements.

Loans also may be made to private nonprofit corporations.

## HOW LOAN FUNDS MAY BE USED

**Funds may be used for such purposes as:** Water facilities, including the construction or improvement of works of flood prevention, erosion control, irrigation, drainage of agricultural land, soil conservation, and water storage for community supply and pollution abatement.

Water resource improvements such as reservoirs, lake level control structures, stream or channel rectification, acquisition of lands, easements, and fees for legal and technical services.

Public water-based recreational developments and public water-based fish and wildlife developments to help public entities obtain the local share of costs for such developments for which the Soil Conservation Service is providing RCD technical or financial assistance.

Shift in land use, such as conversion to pasture, forestry, wildlife areas, grazing, parks, greenbelts and other open spaces that will serve rural communities.

Facilities and equipment including garbage trucks, sanitary land fills and incinerators to collect, treat and dispose of solid wastes.

**Loan funds may not be used to:** Buy tracts of land intended primarily for industrial use or later resale to private developers; build motels, housing developments, farm dwellings, dance pavilions; treat land on private or individual land units; newly introduce land to agricultural production; build water treatment and distribution systems and sewage collection and treatment facilities for other than solid wastes; provide drainage benefits to nonrural areas; pay costs that could be met through assignment of payments for participation in agricultural conservation programs.

A portion of a tract purchased with RCD loan funds primarily for nonindustrial purposes may be set aside for an industrial park, but RCD loan funds may not be used to develop or build facilities on the industrial park.

## **LOAN LIMITS**

Eligible borrowers may obtain amounts commensurate with the applicant's resources, reasonable cost of the project measure to be financed, and the applicant's ability to repay. A loan may not exceed \$250,000.

## **TERMS AND RATES**

Loans may be made for periods of up to 30 years.

The interest rate is the average rate paid by the U.S. Treasury on obligations of a similar maturity outstanding at the beginning of the fiscal year in which the RCD loan is made.

## **SECURITY REQUIRED**

All loans will be secured in a manner which adequately protects the interest of the Government. Bonds or notes pledging taxes, assessments, or project revenues will be accepted as security if they meet statutory requirements. A mortgage may also be taken on the organization's facilities when State laws permit.

## **WHERE AND HOW TO APPLY**

Applications for loans are made at local county offices of the Farmers Home Administration, in designated RCD Project Areas whose plans have been authorized for USDA assistance through the Soil Conservation Service.

All applications are processed without regard to race, color, creed or national origin.

Slightly revised April 1972